

**Statement of Michael J. Riley
President
Motor Transport Association of Connecticut
Before
The Joint Committee on Finance Revenue and Bonding
March 2, 2009**

Re: Senate Bill No. 999 AN ACT CONCERNING THE MOTOR
VEHICLE FUELS TAX AND FUNDING FOR RAIL
PROJECTS.

I am Michael J. Riley, President of Motor Transport Association of Connecticut (MTAC), a statewide trade association, which represents around 1,000 companies that operate commercial motor vehicles in and through the state of Connecticut. Our membership includes freight haulers, movers of household goods, construction companies, distributors, tank truck operators and hundreds of companies that use trucks in their business and firms that provide goods and services to truck owners.

MTAC OPPOSES THIS BILL

This bill increases the gasoline tax by five cents per gallon and dedicates the funds, collected by the increase, to rail programs. We do not believe that this is the time to increase fuel taxes in this state.

Section 12-458 provides that all of the revenue from the diesel fuel tax, currently 43.4 cents per gallon, be deposited in the Special Transportation Fund. Therefore, all of the revenue generated by the diesel fuel tax is used for Special Transportation Fund expenditures. This is not the case with gasoline.

Gasoline is subject to the regular fuel tax of 25 cents per gallon. Additionally, gasoline is subject to the Gross Earnings Tax on Petroleum Products. This tax, while it does generate some funds for the Special Transportation Fund, is actually a General Fund revenue producer. It is essentially a fuel tax. Fuel taxes ought to be used to provide transportation programs and infrastructure. Fuel taxes are user fees. It is inappropriate

that Connecticut uses a fuel tax to provide support for General Fund expenditures.

Therefore, MTAC recommends that, if additional funds are needed for rail programs, they could be provided for by making the Gross Earnings Tax a 100% Special Transportation Fund revenue producer and no longer using to provide revenue to the General Fund. There is no need to increase the gasoline tax to provide additional funds for rail programs.



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**Testimony Before the Committee on Finance, Revenue and Bonding
Opposing a Portion of SB 996, An Act Establishing the
Connecticut Emergency Economic Investment Commission**

Senator Daily, Representative Staples and members of the Committee, my name is Louise DiCocco-Beauton and I am the Director of Governmental Affairs for the Greater New Haven Chamber of Commerce. The Chamber appears before you today on behalf of the Tweed New Airport Authority, requesting that you amend a portion of SB 996 which has very serious impact on Tweed.

The Chamber of Commerce has supported Tweed's development for over 50 years. As you may know, Tweed is one of only two Connecticut airports certified as Class I by the Federal Aviation Administration. The Tweed Airport Authority is the only transportation asset in the state run by a regional board of directors. For the past ten years, the State has shared the cost of many airport improvements, in recognition that Tweed has State-wide economic development value. The Transportation Strategy Board recognized this role by endorsing a strategy of support for commercial air service at both Tweed and Bradley.

We are asking the Committee to reject Section 34 of the bill, as this provision would deauthorize a \$5.0 million authorization for renovations, improvements and safety programs at Tweed Airport. The \$5.0 million in capital bonds for Tweed's infrastructure was approved by Special Act 01-2, Section 9(d)(7). Although it was approved 8 years ago, the funding is more essential now than ever, given that the Federal Aviation Administration has seen fit to invest over \$26 million in Tweed's Runway Safety Area Project in the last 18 months.

Because of sensitive site conditions, the Runway Safety Project has had a long history. The Federal Environmental Impact Study was approved in 2001 and CT DEP permits were approved in 2007. Construction started in April 2008 and continues at a steady pace. Far from being unnecessary, the \$5 million in State bond authorization is now timely and essential to carry out related portions of the safety project, specifically related to overall goal of improving the approach zones for safe landing and take-off of aircraft.

On behalf of the Tweed New Haven Airport Authority, the Chamber of Commerce respectfully requests you to restore the \$5 million in approved bond funds for improvements at Tweed New Haven Airport. Thank you for your consideration.